

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

Report to the Audit Committee

Year Ended June 30, 2010

November 17, 2010

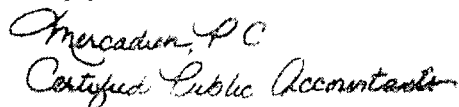
To the Audit Committee of
New Jersey Public Broadcasting Authority

Scott Kobler, Audit Committee Chair
New Jersey Public Broadcasting Authority
25 South Stockton Street
P.O. Box 777
Trenton, NJ 08625-0777

We are pleased to present this report related to our audit of the financial statements of New Jersey Public Broadcasting Authority (the "Authority") for the year ended June 30, 2010. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the audit committee, Board of Commissioners, and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Authority.

Very truly yours,



MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Required Communications

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Area	Comments
Auditor's Responsibility Under Professional Standards	<p>Our responsibility under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States has been described to you in our arrangement letter dated August 10, 2010.</p>
Accounting Practices	<p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The following is a description of new accounting standards adopted during the audit period as required by generally accepted accounting principles:</p> <ul style="list-style-type: none"> • GASB issued a new standard known as <i>The Hierarchy of General Accepted Accounting Principles for State and Local Governments</i>, the objective of which was to include the hierarchy of Generally Accepted Accounting Principles ("GAAP") for state and local governments into the GASB's authoritative literature. It is intended to make it easier for preparers of state and local government financial statements to identify and apply the "GAAP Hierarchy" which consists of sources of accounting principles used in preparation of financial statements so that they are presented to conformity with GAAP and the framework for selecting those principles. The statement will improve financial reporting by contributing to the GASB's efforts to codify all GAAP for state and local governments so that they derive from a single source. The Authority has adopted the hierarchy requirements of this standard for the year ended June 30, 2010.

Area	Comments
	<ul style="list-style-type: none"> <li data-bbox="786 279 1435 793">• GASB issued a new standard known as <i>The Codification of Accounting and Financial Reporting Guidance Contained in the American Institute of Certified Public Accountants (AICPA) Statements on Accounting Standards</i>. This Statement incorporates accounting and financial reporting guidance previously only contained in the AICPA auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The Statement addresses three issues from the AICPA's literature – related party transactions, going concern considerations, and subsequent events. <p data-bbox="820 827 1435 1339">This Statement brings existing guidance (to the extent appropriate in a governmental environment) without substantive changes into the GASB's body of standards. It is part of the GASB's effort to codify all generally accepted accounting principles for state and local governments so that they derive from a single source. This is intended to make it easier for preparers of state and local government financial statements to identify and apply relevant accounting guidance. The Authority has adopted the disclosure and hierarchy requirements of this standard for the year ended June 30, 2010.</p>
	<p data-bbox="786 1371 1279 1402">Significant or Unusual Transactions</p> <p data-bbox="786 1423 1435 1570">We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>
	<p data-bbox="786 1619 1317 1686">Alternative Treatments Discussed with Management</p> <p data-bbox="786 1707 1435 1883">We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.</p>

Area	Comments
Management's Judgments and Accounting Estimates	Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Accounting Estimates".
Financial Statement Disclosures	We identified a going concern matter which we discussed with management relating to the neutrality, consistency and clarity of the disclosures in the financial statements, specifically, Note L.
Audit Adjustments	Audit adjustments recorded to the original trial balance given to us for audit are shown on the attached "Summary of Recorded Audit Adjustments."
Uncorrected Misstatements	We accumulated no uncorrected misstatements during the course of the audit.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management, except for the audit adjustments discussed above.
Difficulties Encountered in Performing the Audit	We did not encounter any difficulties in dealing with management during the audit.
Certain Written Communications Between Management and Our Firm	Copies of certain written communications between our firm and the management of the Authority are attached as Exhibit A.

New Jersey Public Broadcasting Authority
Summary of Accounting Estimates
Year Ended June 30, 2010

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the Authority's June 30, 2010 financial statements:

Area	Accounting Policy	Estimation Process	Comments
Capital assets	The Authority capitalizes purchases of equipment of \$20,000 or more at historical cost. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets.	The estimated useful lives of the assets are based on management's knowledge of particular assets and asset categories and the length of time the asset will be used.	Management's estimation process is considered appropriate.
Allowance for doubtful accounts	Accounts receivable are reported at their net present value.	The allowance for doubtful accounts is estimated based on management's historical experience of collectability.	Management's estimation process is considered appropriate.
Programming licenses	Programming licenses where the Authority has the right to air specific programs for more than one year are recorded at cost.	The programming licenses are amortized based on the estimated useful lives of the programs using an accelerated method since the first broadcast of the program is more valuable than its reruns.	Management's estimation process is considered appropriate

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**New Jersey Public Broadcasting Authority
Summary of Recorded Audit Adjustments
Year Ended June 30, 2010**

Description	Effect- Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
To offset DOL deferred revenue related to a cancelled contract against the DOL's outstanding receivable balance.	(125,849)	(125,849)	-	-	-
To correct recording of deferred revenue included in cash held balance.	(125,849)	-	-	-	125,849
To record receivable from the New Jersey State Lottery for the 2010 contract payment collected in July.	1,073,000	1,073,000	-	-	-
To correct error in recording the balance of accumulated depreciation.	4,805	-	-	-	(4,805)
To correct recording of June 2010 EBS tower rental contract payment.	-	(180,000)	-	90,000	(90,000)
To correct accrued paid time off balance.	(31,073)	(31,073)	-	-	-
To reverse improperly recorded deferred revenue.	-	(638,007)	-	-	(638,007)
To adjust the cash held by State and due from State balance to June 30 calculated balance.	(238,676)	(220,661)	-	-	18,014
To remove the recording of accrued vacation as an expense.	-	(347,742)	-	-	347,742
To reverse accrual of utility reimbursement receivable since it was received by June 30, 2010.	(150,000)	-	-	-	150,000
To reconcile accounts receivable to aging report to trial balance.	29,219	-	-	-	(29,219)
To reverse encumbrances recorded as accounts payable.	-	(74,040)	-	-	(74,040)
Income Statement Effect				\$ 90,000	\$ (194,465)
Balance Sheet Effect	\$ 435,577	\$ (544,372)	\$ -		

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Exhibit A - Certain Written Communications Between Management and Our Firm

- *Arrangement Letter*
- *Representation Letter*

August 10, 2010

Scott Kobler, Audit Committee Chair
New Jersey Public Broadcasting Authority
25 South Stockton Street
P.O. Box 777
Trenton, NJ 08625-0777

Attention: Mr. Scott Kobler

This letter is to explain our understanding of the arrangements for the services we are to perform for New Jersey Public Broadcasting Authority (the "Authority") for the year ended June 30, 2010, and the six-month period ending December 31, 2010. We ask that you either confirm or amend this understanding.

Audit Services

We will perform the audits of the Authority's financial statements as of and for the year ended June 30, 2010, and the six-month period ending December 31, 2010. We understand that the financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America. The objective of an audit of financial statements is to express an opinion on those statements.

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the audit committee are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

We will conduct the audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Accordingly, a material misstatement, may remain undetected. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

An audit of financial statements also includes obtaining an understanding of the Authority and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements, and to design the nature, timing and extent of further audit procedures. An audit is

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not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate to management and the audit committee any significant deficiencies or material weaknesses that become known to us during the course of the audits.

We will also communicate to the audit committee (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (b) any illegal acts that come to our attention (unless they are clearly inconsequential), (c) any disagreements with management and other serious difficulties encountered in performing the audits, and (d) various matters related to the entity's accounting policies and financial statements.

Authority's Responsibilities

Management is responsible for the financial statements, including the selection and application of accounting policies, adjusting the financial statements to correct material misstatements, and for making all financial records and related information available to us. Management is responsible for providing us with a written management representation letter confirming certain representations made during the course of our audits of the financial statements and affirming to us that it believes the effects of any uncorrected misstatements aggregated by us during the engagements and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge.

Management is responsible for identifying and ensuring that the Authority complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, or others.

The audit committee is responsible for informing us of its views about the risks of fraud within the Authority, and its knowledge of any fraud or suspected fraud affecting the Authority.

The Authority agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities offering without first obtaining our consent. Any request to consent is also a matter for which separate arrangements will be necessary. After obtaining our consent, the Authority also agrees to provide us with printer's proofs or masters of such offering

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documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the Authority seeks such consent, we will be under no obligation to grant such consent or approval.

During the course of our engagements, we may accumulate records containing data that should be reflected in the Authority's books and records. The Authority will determine that all such data, if necessary, will be so reflected. Accordingly, the Authority will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Authority personnel is described in the attached client participation list which outlines the specific schedules and analyses that should be completed by Authority personnel, including the dates when the information should be available to us. The participation list has been discussed with and agreed to by Janice Selinger, Acting Chief Operating Officer. The timely and accurate completion of this work is an essential condition to our completion of the audits and issuance of our audit reports.

If, in connection with our audits, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Terms of our Engagement

The Authority hereby indemnifies Mercadien, P.C., Certified Public Accountants and its principals and employees and holds them harmless from all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by a member of the Authority's management, regardless of whether such person was acting in the Authority's interest. This indemnification will survive termination of this letter.

Any claim arising out of services rendered pursuant to this agreement shall be resolved in accordance with the laws of New Jersey. It is agreed by the Authority and Mercadien, P.C., Certified Public Accountants or any successors in interest that no claim arising out of services rendered pursuant to this agreement by or on behalf of the Authority shall be asserted more than two years after the date of the last audit report issued by Mercadien, P.C., Certified Public Accountants.

In the event we are requested or authorized by the Authority or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Authority, the Authority will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

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Our fees for these services will be based on the actual time spent at our standard hourly rates. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, unpaid accounts over thirty (30) days past due are charged an additional service charge of 1.5% per month on the outstanding balance, which will be reflected on the subsequent statements. Furthermore, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. The suspension of our work may result in adverse consequences to you including failure to meet deadlines imposed by governments, lenders, or other third parties. Based on our preliminary estimates, the audit fees are as follows:

	Fiscal Year Ended <u>June 30, 2010</u>	Six-Month Period Ending <u>December 31, 2010</u>
GAAP Audit	\$ 21,444	\$ 22,087
GAS Audit	1,500	1,545
Single Audit (if applicable)	<u>2,250</u>	<u>2,317</u>
Total	\$ <u>25,194</u>	\$ <u>25,949</u>

See separate agreed-upon procedures arrangement letter for CPB report fee.

If the fees using our standard rates comes to less, you will be billed for the lower fee.

We feel it is only fair to note that our fees to perform this work is contingent upon the satisfactory condition of the books and records, the records being ready for audit by the agreed-upon dates as requested in the client participation letter, preparation of items requested, availability of underlying documentation and the anticipated cooperation of your accounting staff in gaining access to the information we need. Should the requested items not be substantially completed at the start of our audits and as the work progresses, we will advise you as to the additional fees. We understand that Albertha Hyche, from the State Treasurer's Office has been assigned to assist the Authority with its accounting and reporting obligations. Her assistance is designed to ensure that the books and records will be provided to us in a complete format.

Additional services, if requested, will be billed separately at our hourly rates.

If circumstances arise relating to the condition of the Authority's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawal from the engagement.

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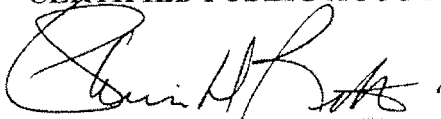
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This letter constitutes the complete and exclusive statement of agreement between Mercadien, P.C., Certified Public Accountants and New Jersey Public Broadcasting Authority superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

If this letter defines the arrangements as the Authority understands them, please sign and date the enclosed copy and return it to us.

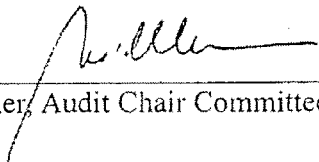
Very truly yours,

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



Sherise D. Ritter, CPA, CGFM
Principal

Confirmed on behalf of the New Jersey Public Broadcasting Authority:



8/13/10

Scott Kobler, Audit Chair Committee

cc: Janice Selinger, Acting Chief Operating Officer
Albertha Hyche, New Jersey State Treasury

August 10, 2010

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New Jersey Public Broadcasting Authority

Client Participation List

Year Ended June 30, 2010

Information Requested As Soon As Possible

1. Final Adjusted Trial Balance at June 30, 2010.
2. List of Board members at June 30, 2010.
3. Board meeting minutes and Executive Session and Finance Committee meeting minutes from November 1, 2009 through the end of our fieldwork.
4. Preliminary accounts receivable schedule at June 30, 2010.
5. Signed confirmations for OMB, grants and legal.

Information Requested at Start of Fieldwork

6. General ledger encompassing all activity for the year ended June 30, 2010, much of which is separately requested below.
7. Aging Accounts Receivable Schedule at June 30, 2010, and updated through date of fieldwork for Tower receivables. Please review schedule and inquire of Tower Contract Manager which receivables are deemed collectible, document why or why not receivables are collectible and provide a Schedule of Bad Debt/Allowance at June 30, 2010, including allowance calculation method. The Allowance schedule should include the opening amounts, provisions, write-offs and the remaining allowance.
8. Accounts Receivable Schedule at June 30, 2010, for Media/Facility, include subsequent receipts by customer by date and amount in separate columns.
9. Schedule of Fiscal Year 2010 Appropriations, Revenue and Expenses, including State printout source to schedule.
10. Copies of Appropriation Inquiries for State capital appropriations, NTIA and NJN repair and replacement, if applicable.
11. Schedule of all assets purchased and disposed of during the fiscal year. For assets purchased, please determine whether they should be classified as Transmission, Towers, Antennas, Furniture and Fixtures, or Broadcasting Equipment, also indicate the useful life. Inquire of appropriate personnel if the assets that are currently fully depreciated are still being used or

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should they be removed from the schedule. If assets should be removed prepare a schedule of these assets. Tie total purchases to total capital expenditures per State records.

12. Schedule of Due to/from FNJPB at June 30, 2010.

13. Schedule of accounts payable at June 30, 2010.

14. Accrued Vacation Schedule at June 30, 2010. Inquire of appropriate personnel if the schedule was reviewed for accuracy and document procedures.

15. Schedule of other accrued expenses at June 30, 2010.

16. Donated and In-Kind Calculations. Please provide:

- Schedule of Calculation of Indirect Administrative Support;
- Calculation of FICA Paid by State of NJ for inclusion in the calculation of Indirect Administrative Support;
- Schedule of Cost of NJN - TOC Complex;
- State memo stating total rent and PSE&G costs for the Newark NJN building lease;
- State memo of monies paid on behalf of NJN for services and goods rendered to operate NJN building and any other in-kind arrangements;
- State letter to Cover Fringe Benefit Rates for the Year Ended June 30, 2010;
- Copy of New Jersey statewide cost allocation plan - summary of fixed asset allocations June 30, 2010; and
- Copy of page from State handbook showing total appropriations.

17. Schedule of Reappropriations and supporting State documentation at June 30, 2010.

18. Schedule of Trade Agreements for the year ended June 30, 2010.

19. Copy of Workforce Development Grant and any other grants.

20. Schedule or Reconciliation of State Report to PBA Cash Receipts for June 30, 2010.

21. Schedule/Expense Reconciliation Between NJPBA and State Records at June 30, 2010.

22. Agency Download from State computer system detailing income and expense per State records.

23. Schedule of NJPBA Budget Worksheet FY10 of Revenues and Expenses

24. Fiscal year 2010 Cash Receipts Analysis (in Excel format on disk) listing client, check number, date received and account number.

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25. Copy of debt service page from State budget handbook showing interest paid and balance.
26. Assist with preparing Financial Statements and required footnote disclosures and direct method cash flow, and prepare the management discussion analysis "MD&A," in accordance with GASB 34, as amended. We will provide a list of updated accounting principles that the Authority should consider in its reporting period.
27. Update DTV conversion financial statement footnote disclosure.
28. Information concerning any other commitment and contingencies.
29. Schedule of Grants, include award amount, receivable/payable, and total expenses related to the grant at 6/30/10, also, include a copy of the grant contract and letter waiving A-133 audit, if applicable. Please note that the federal government requires an A-133 audit for grants of \$500,000 or more. Our fee estimate above does not contemplate any additional fees in the event such an audit is required.



PUBLIC TELEVISION & RADIO

November 17, 2010

Mercadien, P.C., Certified Public Accountants
P.O. Box 7648
Princeton, NJ 08543-7648

In connection with your audit of the combining statement of net assets of New Jersey Public Broadcasting Authority (the "Authority") and the Foundation for New Jersey Public Broadcasting, Inc. (the "FNJPB") (combined herein and referred to as "NJPBA") as of and for the year ended June 30, 2010, we confirm that we are responsible for the fair presentation in the combining statement of net assets, combining statement of support, revenues and expenses, and changes in net assets, and combined cash flows in conformity with accounting principles generally accepted in the United States of America.

We confirm, to the best of our knowledge and belief, as of November 17, 2010 the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have made available to you all:
 - a. Financial records and related data.
 - b. Minutes of the meetings of Authority Commissioners and Foundation Trustees and committees of Authority Commissioners and Foundation Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. We have no knowledge of fraud or suspected fraud affecting NJPBA involving:
 - a. Management or employees who have significant roles in the internal control.
 - b. Others where the fraud could have a material effect on the financial statements.
4. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
5. We have no knowledge of any allegations of fraud or suspected fraud affecting NJPBA received in communications from employees, former employees or others.
6. We are aware of the material weakness, described in the financial statements as item 2010-1 regarding the financial reporting systems inability to produce "GAAP" financial statements. We are aware of no other significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect Authority's ability to record, process, summarize, and report financial data.

7. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
8. We have no plans or intentions that may materially affect the carrying value or classification of assets.
9. The following have been properly recorded and/or disclosed in the combined financial statements:
 - a. Related-party relationships, transactions and related amounts receivable or payable including sales, purchases, loans, transfers, leasing arrangements, and guarantees, all of which have been recorded in accordance with the economic substance of the transactions.
 - b. All other liens or encumbrances on assets and all other pledges of assets.
 - c. All liabilities which are subordinated to any other actual or possible liabilities of NJPBA.
 - d. All leases and material amounts of rental obligations under long-term leases.
 - e. All significant estimates and material concentrations known to management which are to be disclosed in accordance with the AICPA's Statement of Position No. 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. Significant estimates are estimates at the statement of net assets date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
 - f. All recordable contributions, by appropriate net asset class.
 - g. Reclassifications between net asset classes (if applicable).
 - h. Allocations of functional expenses based on reasonable basis.
 - i. Composition of assets in amounts needed to comply with all donor restrictions.
 - j. Deferred revenue from exchange transactions.
 - k. Concentrations of credit risk (if applicable).
10. We are responsible for making the accounting estimates included in the combined financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables, including contributions, to their estimated net collectable amounts.
 - b. To record programming rights at their estimated useful lives of the programs.
 - c. To depreciate equipment over the estimated useful life using the straight-line method.

11. There are no:
 - a. Material transactions that have not been properly recorded in the accounting records underlying the combined financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
12. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed.
13. NJPBA has satisfactory title to all owned assets.
14. We have complied with all aspects of contractual agreements, grants and donor restrictions that would have a material effect on the combined financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133 or New Jersey Circular 04-04-OMB, because we have not received, expended or otherwise been the beneficiary of the required amount of federal or state awards during the period of this audit.
15. In considering the disclosures that should be made about risks and uncertainties, we have disclosed certain matters in the combined financial statements, see Notes B and L. There are no other matters that we believe require disclosure in the combined financial statements.
16. FNJPB has received a determination from the Internal Revenue Service that it is exempt from federal income taxes as a Section 501(c)(3) not-for-profit corporation, and we have complied with the IRS regulations regarding this exemption.
17. Management has evaluated the Foundation's tax position and concludes that the Foundation has taken no uncertain tax positions that require adjustment to be financial statements.
18. No events or transactions other than those disclosed in the combined financial statements have occurred subsequent to the combining statement of net assets date that would require adjustment to, or disclosure in, the combined financial statements.
19. Management confirms the appropriateness of the going concern basis in the financial statements.
20. During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
21. Required supplementary information is properly measured and presented.

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22. We are responsible for and have reviewed and approved the proposed adjustments to the trial balances identified during the audit, which are included in the summarized schedule of posted adjustments, and will post all adjustments accordingly. These adjustments are attached as Appendix A. We have reviewed, approved, and are responsible for overseeing the preparation and completion of the basic financial statements and related notes.

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm:


1. We are responsible for:
 - a. Compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to NJPBA.
 - b. Establishing and maintaining effective internal control over financial reporting.
2. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.
3. We have a process to track the status of audit findings and recommendations.
4. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report.

Very truly yours,

NEW JERSEY PUBLIC BROADCASTING AUTHORITY



Janice Selinger, Acting Executive Director



Samuel Braun, Controller